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FM AMEMBASSY LA PAZ  
TO RUEHC/SECSTATE WASHDC 6783  
INFO RUEHAC/AMEMBASSY ASUNCION 7696  
RUEHBJ/AMEMBASSY BEIJING 0425  
RUEHSW/AMEMBASSY BERN 0164  
RUEHBO/AMEMBASSY BOGOTA 5053  
RUEHBR/AMEMBASSY BRASILIA 8964  
RUEHBU/AMEMBASSY BUENOS AIRES 6185  
RUEHBY/AMEMBASSY CANBERRA 0094  
RUEHCV/AMEMBASSY CARACAS 3399  
RUEHPE/AMEMBASSY LIMA 3620  
RUEHMD/AMEMBASSY MADRID 3914  
RUEHMN/AMEMBASSY MONTEVIDEO 5318  
RUEHNE/AMEMBASSY NEW DELHI 0166  
RUEHNY/AMEMBASSY OSLO 0153  
RUEHOT/AMEMBASSY OTTAWA 0522  
RUEHQ/AMEMBASSY QUITO 6022  
RUEHSG/AMEMBASSY SANTIAGO 0651  
RUEHKO/AMEMBASSY TOKYO 0356  
RUCPDOC/DEPT OF COMMERCE WASHINGTON DC  
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E.O. 12958: N/A

TAGS: ECON KIPR EINV BL  
SUBJECT: BOLIVIAN PIRACY: IF YOU CAN'T BEAT 'EM, JOIN 'EM

¶1. (SBU) Summary: Piracy of audio-visual materials is almost universal in Bolivia, damaging the domestic movie- and music- industries and eliminating any chance of profits for international imports. Certain members of the domestic industry have recently taken two different routes in attempts to wrench some profits from the Bolivian market: market "Bolivian pride" or make deals with the pirates. The situation is complicated by an almost complete lack of enforcement and local government initiatives that wink at intellectual property theft. Post is looking for financial support for an upcoming World IPR-day event, see paragraph 7.  
End summary.

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Buy Bolivian  
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¶2. (SBU) A number of domestic movie producers have signed up with La Paz newspaper "La Razon", which is selling copies of prominent domestic movies through the newspaper's retail chain. The paper is running print ads encouraging readers to support the Bolivian industry and "look for the gold llama" or the gold camera, as indicators of genuineness. La Razon sells its movies for 25 bolivianos (about USD3.3, while most pirated movies sell on the streets for 10 bolivianos or less.)

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Strange Bedfellows  
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¶3. (SBU) Meanwhile, Emboffs met with Bolivian movie producer Roberto Calasich, who has taken a more unusual step to try to earn money on his back catalogue. Calasich informs us that he has entered into a business arrangement with the National Federation of Audio and Video Merchants, a loosely-organized

union of Bolivian media pirates. Reportedly, other Bolivian intellectual property owners have also taken this step: Enriqueta Ulloa, president of the Bolivian musical artists' organization SOBODAYCOM complained to us that a locally-famous Bolivian singer has recently signed an agreement with a pirates' union to distribute her CDs. According to Calasich, the pirates Federation has agreed not to pirate his videos, but instead to allow Calasich to produce copies of his videos, which he provides to the Federation at a cost of 1 boliviano (13 cents) apiece. The Federation then sells the videos, usually for around 10 bolivianos, through its network of vendors.

¶4. (SBU) Calasich says his agreement with the media pirates' Federation has a number of benefits: he is able to take advantage of the Federation's far-flung distribution network, and the product sells for the usual street price, therefore avoiding being undercut by "pirated" (or that is, other pirated) videos. Calasich was dismissive of the La Razon "protect the Bolivian movie industry" campaign, because he said Bolivian consumers would not be willing to pay the high price of over USD3 per movie. Calasich admitted, however, that he had no way of knowing if the Federation was abiding by its agreement, and he added that it would certainly be easy to fake the Federation's statement of "genuineness" (with its emblem of a circle-and-slash through a skull and crossbones.)

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Honor Among Thieves?

¶5. (SBU) According to Calasich, the group of media pirates now calling themselves the National Federation of Audio and Video Merchants banded together in the face of even cheaper pirated goods from outside the country. He added, with no apparent irony, that the Federation needed to protect the Bolivian piracy sector. During our meeting, Calasich asked for USG assistance in further cooperation with the Federation to allow him to recover some profits on his movies. Calasich has since written to request support in "deepening of the process of legalization of piracy of DVDs." In this request, he included a script that would humorously portray the conflict between a group of pirates and a group of reformed pirates. "Some day Jerry Bruckheimer or Columbia Pictures will support us," says one of the script's ex-pirates, dreaming of owning distribution rights to U.S. films. Calasich plans to involve members of the pirates Federation in his production, so that they will see the value of Bolivian film-making. Although Calasich says his aim is that Bolivian society recognize piracy as a crime, his ethical stance is complicated by his continued business association with the Federation, which makes the majority of its money by pirating U.S. intellectual property. Even if Federation members grow to appreciate the Bolivian movie industry, it is not likely that they will cease stealing from U.S. intellectual property owners.

¶6. (SBU) In a meeting with Emboffs, Eriqueta Ulloa and Noemi de Valdivia (presidents of two Bolivian artists associations) laid out the complete lack of any respect for intellectual property in their industry. They mentioned that of the two remaining legal outlets for audio-visual materials in La Paz, one had recently closed and begun producing illegal disks, unable to compete in a market with no legal protection and no consumers interested in obeying unenforced laws. According to Ulloa, the mayor of La Paz has recently "legalized" piracy by granting licenses to outlets of pirated products, as long as they do not sell pirated Bolivian products. According to de Valdivia, not only did this pseudo-legitimize piracy and make the government a beneficiary of intellectual property theft, but the "no pirated Bolivian products" does not work: "Of course they sell our (pirated) CDs, if there are customers." Ulloa (a well-known Bolivian singer who has toured in the United States) joked about seeing a 3-pack of her most famous CDs repackaged as her "Mariachi" collection: "They put my head on the body of some singer from Mexico in a Mariachi costume."

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Comment  
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¶7. (SBU) Embassy La Paz does not see a way to cooperate with Calasich on his goal of normalizing piracy, as we informed him during our meeting. His plight and his attempt at a solution do highlight, however, the challenges faced by intellectual property owners in Bolivia. As the Mission, through USAID and the Embassy, seeks to increase outreach and education on intellectual property rights issues, we will attempt to include local stakeholders. Hopefully we will be able to provide better options than "legalizing" piracy. Emboffs are exploring the possibility of showcasing artists from Ulloa and de Valdivia's associations at an upcoming world IPR day program which will hopefully include presentations from local and international IPR experts. Although the artists' groups are interested in volunteering their performances, the entire event (plus logistical support for the artists) will need funding. Post would be interested in any PD or IPR desk funding available. Please contact Beth Mader at [madere@state.gov](mailto:madere@state.gov). End Comment.

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